

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 325 – SB 521

March 6, 2013

**SUMMARY OF ORIGINAL BILL:** Deletes or updates various outdated and obsolete provisions of the Tennessee Code Annotated, Titles 4, 54 and 55, regarding the Department of Transportation (TDOT), highways, bridges, and ferries, and motor and other vehicles. Deletes the inconsistent requirement that the cost of signage and marking of an interstate, federal or state highway, designated as a memorial highway for a state law enforcement officer killed in the line of duty be paid from the Highway Fund, subject to the appropriation by the General Assembly. Increases the punishment for vandalism of public highway structures, from a Class A misdemeanor to an offense punishable as theft of property ranging from a Class A misdemeanor to a Class A felony, depending on the value of the property. Requires the Commissioner of TDOT to report to members of the General Assembly, upon request rather than annually, the progress of the surety bond guarantee program created for small businesses to act as subcontractors on TDOT construction projects.

Deletes the Tennessee Passenger Railroad Commission, the Access Improvement Fund Act of 1971, the County Highway Commission, and the wildflower preservation and propagation pilot project. Deletes the requirement that disadvantaged business enterprises must participate in ten percent of all contracts entered into by the State for construction of specific service signs. Deletes the reporting requirements for TDOT regarding compensation received for use of the rights-of-way, or funds expended on intelligent transportation system projects. Requires the Commissioner of TDOT, rather than the Commissioner of the Department of Tourist Development, to prepare a comprehensive statewide scenic highway plan.

Removes the maximum speed limit of 50 miles per hour on scenic highways. Increases the offense for theft of county highway or road money by a chief administrative officer, from a felony punishable by imprisonment from three to twenty years, to a offense punishable as theft of property ranging from a Class A misdemeanor to a Class A felony, depending on the value of the property. Deletes a Class C misdemeanor offense for any person who places any material or thing that may obstruct or damage a highway. Removes the annual reporting requirement for the Department of Safety (DOS) regarding its activities. Deletes obsolete language regarding the Tennessee Financial Responsibility Law of 1977. Deletes the requirement of DOS to approve testing sites for headlights and stations for adjusting lights or brakes.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$56,700/Incarceration\*

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**SUMMARY OF AMENDMENT (004231):** Deletes and rewrites the original bill such that the only substantive changes are as follows: details the amount to be charged by a ferry on the state highway system, as currently outlined in Tennessee Code Annotated; includes a severability clause; specifies that vandalism of county highway structures is to be punished on a sliding scale according to the amount of damages, which can range from a Class A misdemeanor to a Class A felony, just as regular vandalism and theft; and authorizes the state and counties to seek compensation for damage to state and county highway structures.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

### **Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Any administrative or fiscal impact on TDOT as a result of this bill as amended will be not significant.
- Any administrative or fiscal impact on DOS as a result of this bill as amended will be not significant.
- Any administrative or fiscal impact on the local government as a result of this bill as amended will be not significant.
- According to the Department of Correction, the average operating cost per offender per day for calendar year 2013 is \$64.17.
- According to the Administrative Office of the Courts (AOC), there has been an average of 0.2 convictions for vandalism of highway structures under Tenn. Code Ann. § 54-1-134 over the last five years. The AOC's statistics represent convictions at the state trial court level. It is assumed that the number of convictions in state trial court represents 10 percent of the convictions at the general sessions court level. It is assumed that there will be two total Class E felony convictions each year for violations of Tenn. Code Ann. § 54-1-134.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- The average time service for a Class E felony is 1.21 years.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on two offenders serving 1.21 years. The cost per offender at 1.21 years (441.95 days) is \$28,360 (\$64.17 x 441.95). The cost for two offenders is \$56,720 (\$28,360 x 2).
- Any impact to the caseloads of state trial courts can be accommodated within existing judicial resources without an increased appropriation or reduced reversion.

- There will not be a sufficient number of prosecutions for local government to experience any significant increase in revenue or expenditures.

\*Tennessee Code Annotated, Section 9-4-210, requires an appropriation from recurring revenues for the estimated operation cost of any law enacted after July 1, 1986 that results in a net increase in periods of imprisonment in state facilities. The amount appropriated shall be based upon the highest cost of the next 10 years.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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